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# REPORT

## CD NO.

DATE DISTR. 21 June 1955

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As Chief of the Ministry of Heavy Industry, Fritz Selbmann is in charge of controlling and directing the production and the development of the basic industries, including the fields of coal, electric power, iron and nonferrous metals, chemicals and fuels. In these industries, in particular, the Five-Year Plan targets have not been fulfilled. In brown-coal extraction, the 1955 target figures had to be reduced from 225.25 million to 200.1 million tons of coal. In steel production, the plan figures were lowered from 3.13 million tons to 2.4 million tons of raw steel. While only 25.9 billion kWh were generated in 1954, the original 1955 plan figures, stated at 33.4 billion kWh will not only not be reached, but the output will also have fallen far behind the 31.5 billion kWh fixed by the 1955 plan. The New Course is lagging behind of the basic industries and the simultaneous rapid development of the finished-products industry have been one of the reasons for the switch-over to the New Course in mid-1955. The elimination of these discrepancies between the basic industry and the finished-products industry is a prerequisite for a successful second Five-Year Plan. It was obviously imperative for Selbmann and his planning expert Hart Walter personally to submit their plans to Moscow, for the Soviet Planning Center is greatly interested in restoring the economic equilibrium in the GDR. It is to be noted that the Council of Mutual Economic Aid did not take part in the discussion and the planning activities, and it is believed that the GDR ministries will be placed under direct Soviet control. This concept is supported by the fact that the monthly intermediate reports on monthly production of some 30 vital production areas as published by the GDR Central Bureau of Statistics have to be submitted to the pertinent Soviet ministry by the GDR Ambassador to Moscow.

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